

Message Text

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SUBJECT: COMMONS APPROVES PAY POLICY WHITE PAPER

REF: LONDON 11638

SUMMARY: THE HOUSE OF COMMONS JULY 25 APPROVED THE
GOVERNMENT'S WHITE PAPER ON PAY POLICY FOR THE COMING
YEAR (REFTEL). THE OUTCOME, WHICH GAVE THE GOVERNMENT
A MAJORITY OF 15, WAS NEVER IN DOUBT, AND ATTENTION WAS
FOCUSED ON A MANO-A-MANO MEETING BETWEEN PRIME MINISTER
CALLAGHAN AND CONSERVATIVE LEADER THATCHER IN THE OPENING
DEBATE WHICH BOTH PARTICIPANTS VIEWED AS A CAMPAIGN
CURTAIN RAISER. IT WAS THE VIRTUALLY UNANIMOUS CONCLU-
SION OF ALL OBSERVERS THAT CALLAGHAN WON THE CONTEST
HANDS DOWN, AND THAT MOST TORY MPS WERE DISAPPOINTED WITH
THEIR LEADER'S PERFORMANCE. END SUMMARY
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1. THE OUTCOME OF THE JULY 25 DEBATE AND VOTE ON THE
GOVERNMENT'S WHITE PAPER ON PAY POLICY WAS NEVER
SERIOUSLY IN DOUBT, BUT THE COMMONS DEBATE PRECEDING THE
VOTE WAS THE CENTER OF CONSIDERABLE POLITICAL AND MEDIA
ATTENTION, AS IT WAS BILLED AS MRS. THATCHER'S FIRST
MAJOR DIRECT CONFRONTATION WITH PRIME MINISTER CALLAGHAN

AND WAS WIDELY EXPECTED TO BE AN OPENING SALVO IN THE ANTICIPATED FALL ELECTION CAMPAIGN. THE DIVISION WENT LARGELY AS EXPECTED, WITH THE LIBERALS AND SOME OF THE MINOR PARTIES GIVING THE GOVERNMENT A FAIRLY EASY 15-VOTE MAJORITY (296 TO 281), DESPITE THE ABSTENTION OF A CLUTCH OF LABOR LEFT-WINGERS WHO OPPOSE THE GOVERNMENT'S 5 PERCENT GUIDELINE. THEIR ACTION, HOWEVER, WAS EMPTY GESTURE POLITICS, AND IT SEEMS UNLIKELY THEY WOULD HAVE DEFIED THE PARTY WHIP IF THERE HAD BEEN ANY DANGER THAT THE GOVERNMENT MIGHT LOSE THE VOTE.

2. THE GREAT DEBATE, ACCORDING TO ALL ACCOUNTS, WAS A ONE-SIDED VICTORY FOR CALLAGHAN, WHO CAST ASIDE HIS AVUNCULAR MASK TO LAUNCH A TOUGH ATTACK ON MRS. THATCHER AND HER LEADERSHIP OF THE TORY PARTY, SCORING DEBATING POINTS AT WILL. FOR HER PART, MRS. THATCHER DELIVERED A DRY, STATISTIC-LADEN ATTACK ON THE GOVERNMENT'S ECONOMIC RECORD. ACCORDING TO THE TIMES, IT LEFT HER PARLIAMENTARY COLLEAGUES DISMAYED, WHILE PROVOKING MIRTH ON THE LABOR BENCHES. WE UNDERSTAND FROM CONSERVATIVE SOURCES THAT MRS. THATCHER SUBSEQUENTLY ACKNOWLEDGED THAT SHE HAD MISJUDGED THE OCCASION IN TAILORING HER ATTACK ON THE GOVERNMENT'S PERFORMANCE.

3. COMMENT: THE DEBATE WAS THE COLORFUL STUFF OF BRITISH PARLIAMENTARY POLITICS -- ENTERTAINING TO WATCH
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AND LISTEN TO, PARTICULARLY FROM THE FLOOR OF COMMONS, BUT OF LITTLE REAL SIGNIFICANCE. ASSUMING A FALL ELECTION, THE JULY 25 DEBATE WILL INFLUENCE FEW IF ANY VOTES. BUT THERE CAN BE LITTLE DOUBT THAT IT HAD A SIGNIFICANT IMPACT ON THE MORALE OF BOTH PARTIES -- FAVORABLE FOR LABOR'S LADS, AND DAMAGING FOR THE TORY BACKBENCHERS -- WHICH COULD AFFECT THE TONE AND QUALITY OF THE COMING CAMPAIGN.

BREWSTER

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